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Senator Brown Urges Governor to Sign Legislation to Attract, Keep Jobs in Michigan

Lansing – State Sen. Cameron S. Brown, R-Fawn River Township, called on Gov. Jennifer Granholm today to sign legislation that could immediately help bring new jobs to Michigan's sluggish economy.

Senate Bill 175, sponsored by Brown, was approved by both the House and Senate today. The bill amends current law to allow local units of government to grant property tax abatements to large-scale warehousing and distribution centers.

"We are losing jobs to other states on a regular basis because their communities can offer these property tax abatements while Michigan municipalities cannot," Brown said. "Our cities and villages are at a tremendous competitive disadvantage without this economic development tool in their toolbox."

The need for the legislation was brought to Brown's attention when a large food distribution company – Performance Foods – recently chose to locate in Indiana rather than Michigan. The fact that communities in Michigan were not able to offer tax abatements was specifically cited by the company as a reason they chose to locate elsewhere.

In a letter hand delivered to the governor today, Brown cited another major employer that is considering locating in Michigan:

"Today, a Fortune 100 company is close to making a decision between locating in the village of Constantine or sites just across the border in Indiana," wrote Brown. "The company would bring more than 400 quality jobs, which would clearly be a significant boost to the economy not just of Constantine or St. Joseph County, but the entire state. Unfortunately, the village, like other Michigan communities, finds itself at a competitive disadvantage with its neighbors to the south. Unable to offer a tax abatement, they are rightfully concerned the company will locate a few miles away in Indiana."

The Plant Rehabilitation and Industrial Development Districts Act, enacted in 1974, was designed as part of an economic incentive package to stimulate economic development and create a better business environment. Under the act, local governments can exempt a facility for up to 12 years.

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SB 175 extends the act to include warehouse facilities and distribution centers.

“With Michigan facing unacceptably high unemployment rates and troubling economic news, we cannot afford to deny our local units of government the ability to attract or retain quality jobs,” Brown said. “Make no mistake – quality jobs for Michigan residents depend on the governor signing this legislation.”

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Editor’s note: Audio comments from Sen. Brown may be downloaded from the Michigan Senate Republican Majority Multi-Media Link web site at:

<http://www.senate.michigan.gov/gop/audiowire/brown/index.htm>